

# Invesco International Select Equity Fund<sup>®</sup>

## Quarterly Performance Commentary

Mutual Fund Retail Share Classes  
Data as of Sept. 30, 2019



### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

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### Fund facts

Nasdaq	A: IZIAX	C: IZICX	Y: IZIYX
Total Net Assets	\$116,410,463		
Total Number of Holdings	35		

### Top holdings

	% of total net assets
Liberty Global	6.35
Focus Media Information Technology	5.40
Howden Joinery	5.29
Eurofins Scientific	5.24
Alibaba	5.07
AB InBev	4.80
Scout24	4.07
CORPORATE TRAVEL MANAGEMENT LTD CTD	3.64
Liberty Latin America 'K'	3.62
Kweichow Moutai	3.53

### Top contributors

	% of total net assets
1. Kweichow Moutai	3.53
2. Anheuser-Busch InBev	4.80
3. Ritchie Bros Auctioneers	2.28
4. SMC	2.37
5. Howden Joinery	5.29

### Top detractors

	% of total net assets
1. SoftBank	3.23
2. Liberty Global	6.35
3. Corporate Travel Management Ltd CTD	3.64
4. AIA	2.89
5. Domino's Pizza	3.06

### Market overview

+ Weakening global economic data and ongoing US-China trade conflict contributed to higher market volatility in the third quarter. Data releases during the quarter showed slowing manufacturing activity and declining business investment, evidence that trade tensions were stifling economic growth across developed and emerging markets. Global recession concerns caused a sharp equity selloff in August as investors crowded into asset classes perceived to be safe havens, including US Treasuries and gold. In

September, both the Federal Reserve and European Central Bank cut interest rates, providing a measure of support for risk assets. Growing optimism about a potential trade deal also boosted equities in September. However, except for the US and Japan, most regions declined during the quarter. Uncertainty about the UK's withdrawal from the European Union continued to weigh on UK and European equities, while political and trade issues affected areas of Latin America and Asia.

### Positioning and outlook

+ At quarter end, the fund's largest overweight positions compared to the index were in the communication services and industrials sectors and, from a regional perspective, in the UK and emerging markets. The largest underweight positions were in financials and materials, and in

Europe ex-UK and Asia Pacific ex-Japan.

+ As always, the portfolio's country and sector allocations are the result of the team's bottom-up, fundamental stock selection process and are not based on the characteristics of the index. We continue to seek high-quality companies worldwide.

### Performance highlights

+ The fund's Class A shares at net asset value (NAV) outperformed its benchmark, the MSCI All Cap World ex-U.S. Growth Index for the third quarter. (Please see the investment results table on page 2 for fund and index performance.)

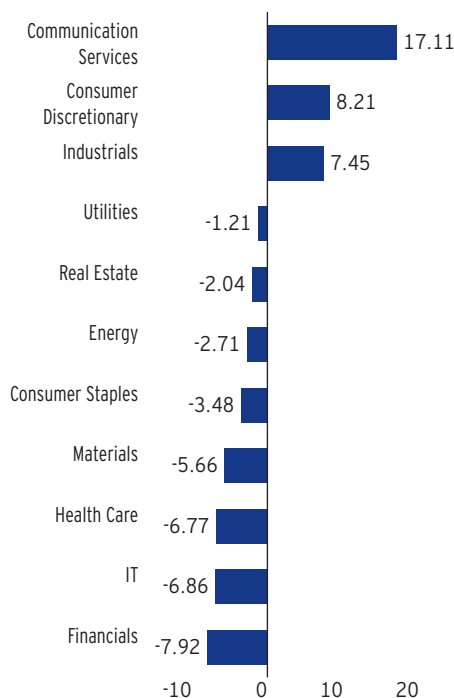
### Contributors to performance

- + The fund's relative return benefited from strong stock selection in the industrials and consumer staples sectors.
- + Regionally, the fund's holdings in emerging markets and Europe ex-UK outperformed those regions within the benchmark.
- + Top contributors to relative performance during the quarter included **Kweichow Moutai** and **Anheuser-Busch InBev**.
- + **Kweichow** is a China-based company that specializes in the production of Moutai liquor products. The company posted solid third quarter results that were in line with analyst expectations. **Kweichow's** strong revenue growth was driven by price increases for its flagship liquor products and robust sales in its high margin, direct account segments.
- + **Anheuser-Busch** is a global brewing company that owns internationally prominent beer brands. During the quarter, the company sold its Australian subsidiary Carlton & United Breweries for \$11.3 billion and completed an initial public offering of its Asian business. Proceeds of both transactions eased investor concerns as they were aimed at reducing debt and deleveraging the company.

### Detractors from performance

- + The fund's stock selection within the communication services and consumer discretionary sectors detracted from relative return.
- + Regionally, the fund's stock selection in Japan detracted from relative return.
- + The largest individual detractors from relative return during the quarter included **Softbank** and **Liberty Global**.
- + **Softbank** invests in a variety of ventures in Japan and globally. Shares fell amid escalating trade war tensions that adversely affected **Alibaba** (5.07% of total net assets) in which **Softbank** has a 28% stake. Also, a delay in the WeWork initial public offering raised capital concerns due to the high rate of cash needed to grow the business. WeWork accounts for a very small part of **Softbank's** valuation, so we do not believe this will have a significant impact.
- + **Liberty Global** is an international cable company. Shares of the company fell on weaker second quarter 2019 growth, most notably in its UK and Swiss businesses. Nevertheless, we see this as short-term weakness. The company is well positioned for strong growth in 2020 from its asset sales and rising cash.

**The fund's positioning versus the MSCI AC World ex US Growth Index (% underweight/overweight)**



**Investment results**

Average annual total returns (%) as of Sept. 30, 2019

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 12/21/15	NAV	Inception: 12/21/15	NAV	Inception: 12/21/15	
	<b>Max Load 5.50%</b>		<b>Max CDSC 1.00%</b>			<b>MSCI AC World ex US Growth Index</b>
Inception	6.39	7.99	7.17	7.17	8.22	-
3 Years	3.30	5.27	4.44	4.44	5.50	7.37
1 Year	-4.86	0.69	-1.14	-0.21	0.86	2.03
Quarter	-5.67	-0.18	-1.46	-0.46	-0.18	-0.85

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://invesco.com/performance) for the most recent month-end performance.

Performance figures reflect reinvested distributions and changes in net asset value (NAV). Investment return and principal value will vary, and you may have a gain or a loss when you sell shares. No contingent deferred sales charge (CDSC) will be imposed on redemptions of Class C shares following one year from the date shares were purchased. Performance shown at NAV does not include applicable CDSC or front-end sales charges, which would have reduced the performance. Class Y shares have no sales charge; therefore, performance is at NAV. Returns less than one year are cumulative; all others are annualized. Fund performance reflects any applicable fee waivers and/or expense reimbursements. Had the adviser not waived fees and/or reimbursed expenses currently or in the past, returns would have been lower. See current prospectus for more information. Index returns do not reflect any fees, expenses, or sales charges.

Index source: FactSet Research Systems Inc.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.12	1.63	Intl Common Stock	96.10
Class C Shares	1.87	2.38	Cash	3.69
Class Y Shares	0.87	1.38	Other	0.21

Per the current prospectus

Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least Feb. 29, 2020 and contractual management fee waivers in effect through at least June 30, 2020. See current prospectus for more information.

For more information you can visit us at [www.invesco.com/us](http://www.invesco.com/us)

Effective November 30, 2018, the Invesco International Companies Fund was renamed Invesco International Select Equity Fund. The fund's investment objective, policy and strategy also changed. Please see the prospectus for additional information. Class Y shares are available only to certain investors. See the prospectus for more information.

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

The fund holdings are organized according to the Global Industry Classification Standard, which was developed by and is the exclusive property and service mark of MSCI Inc. and Standard & Poor's.

MSCI All Country (AC) World ex-US Growth Index is a market capitalization weighted index that includes growth companies in developed and emerging markets throughout the world, excluding the United States. The index is computed using the net return, which withholds applicable taxes for non-resident investors. An investment cannot be made directly in an index.

The S&P 500® Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index.

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**About risk**

Derivatives may be more volatile and less liquid than traditional investments and are subject to market, interest rate, credit, leverage, counterparty and management risks. An investment in a derivative could lose more than the cash amount invested.

The risks of investing in securities of foreign issuers, including emerging markets, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

The fund may from time to time invest a substantial amount of its assets in securities of issuers located in a single country or a limited number of countries.

Growth stocks tend to be more sensitive to changes in their earnings and can be more volatile.

Many countries in the European Union are susceptible to high economic risks associated with high levels of debt, notably due to investments in sovereign debts of European countries such as Greece, Italy and Spain.

Preferred securities may include provisions that permit the issuer to defer or omit distributions for a certain period of time, and reporting the distribution for tax purposes may be required, even though the income may not have been received. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments.

Stocks of small and mid-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

The fund is subject to certain other risks. Please see the current prospectus for more information regarding the risks associated with an investment in the fund.

**NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE**

*Before investing, investors should carefully read the prospectus and/or summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the fund(s), investors should ask their advisors for a prospectus/summary prospectus or visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus).*

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

Note: Not all products available at all firms. Advisors, please contact your home office.

The opinions expressed are those of the fund's portfolio management, are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals. Holdings are subject to change and are not buy/sell recommendations.

All data provided by Invesco unless otherwise noted.